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SUBJECT: PRESIDENT FERNANDEZ DISCUSSES EXPANDING EXCHANGE
PROGRAMS WITH SENATOR GILLIBRAND

¶1. (U) SUMMARY: During her one-day visit to the Dominican Republic, Senator Kirsten Gillibrand of New York met for about 30 minutes with President Fernandez. The discussion focused on international exchanges in academics, professional and technical training. Fernandez told Senator Gillibrand that he was concerned about the unsustainable electricity situation in the Dominican Republic and that narcotics trafficking was presenting unprecedented challenges to law enforcement for the country. Senator Gillibrand mentioned her interest in reducing costly oversight of remittances to the Dominican Republic. Senator Gillibrand also visited the Autonomous University of Santo Domingo (UASD) and met with the American Chamber of Commerce Board of Directors. Press coverage of the event was primarily based on the Senator's brief comments to the press and focused on the Senator's expressed interest in relaxing regulations on remittances. END SUMMARY.

¶2. (U) Senator Gillibrand met with President Fernandez for about 30 minutes on July 3 during her day-long visit to the Dominican Republic. The President was joined by Foreign Minister Carlos Morales Troncoso while Charge Bullen accompanied Senator Gillibrand. She was also joined during the meeting by a group of New York State assembly members and Dominican-American community leaders, whom the Senator referred to as her delegation. The group was in the country as part of a Hostos Community College exchange program conference held at the Autonomous University of Santo Domingo. Also participating was the GoDR's cabinet-level Executive Vice President of the National Council for Dominicans Abroad (CONDEX), Alejandro Santos.

¶3. (U) President Fernandez opened the meeting by raising his concern that despite being the home of the largest population of expatriate Dominicans, New York is the source of very little investment in the Dominican Republic. He also noted that most Dominican-U.S. trade is handled through Florida, not New York. He said that CONDEX was created in part to help improve this situation. New York State Assembly Member Adriano Espaillat noted that he participates in Dominican expatriate groups working to promote investment in the Dominican Republic.

¶4. (U) The President said that more than 3000 Dominican students are studying at New York universities, including Hostos and other City University of New York (CUNY) schools, and that all are committed to return to their home country after completing their degrees. He called this exchange program a success story and suggested increasing the international exchanges between the two countries, with an emphasis on New York. In addition to academic and technical exchanges, he suggested exchange programs for professionals) especially Dominican-American professionals. He said that CONDEX was working to identify "our" professionals working in

the United States and Europe who would be willing to collaborate on activities in the Dominican Republic. President Fernandez said that the idea of foreign aid should be overcome by the mutually beneficial exchange concept.

15. (U) Senator Gillibrand told the President that she agreed with this premise and proposed the environment, agriculture and public works as areas where professional exchanges could benefit the Dominican Republic. She mentioned technical institutes and companies in New York that could host such exchanges and noted that CUNY has a new focus on math and science programs. President Fernandez suggested holding a workshop and bringing U.S. experts to the Dominican Republic. Senator Gillibrand said that Cornell is sending agriculture experts to Afghanistan and proposed expanding the program to bring experts to the Dominican Republic as well. President Fernandez added that the National Police has an exchange program with John Jay College of Criminal Justice that is helping develop better ways to confront narcotics trafficking and other law enforcement matters.

16. (U) President Fernandez described the long historical problems in the Dominican electricity sector and noted that the capitalization program he implemented during his first administration, which greatly increased private sector participation, had "not worked out" and the government is now buying back generation, transmission and distribution assets. He said the country's most serious problem in the sector is expensive generation due to an overreliance on petroleum fuels, but that the country will complete its shift to coal and natural gas within the next three years. The Senator and President discussed the possibility of including biofuels experts in the exchange programs.

17. (U) President Fernandez said that the Central America-U.S.-Dominican Republic Free Trade Agreement (CAFTA-DR) has failed to boost Dominican exports to the United States. He said that, with the exception of some non-traditional agricultural products, Dominican exports to the United States have remained stagnant or fallen since CAFTA-DR went into force.

Senator also visits university, AmCham

18. (U) Following her meeting with the President, Senator Gillibrand visited the site of an ongoing exchange program) the Autonomous University of Santo Domingo (UASD). After meeting briefly with the university rector, Franklin Garcia Fermin, she spoke to a group of New York teachers and university deans participating in an exchange program between Hostos and the UASD. She then met with the American Chamber of Commerce Board of Directors, who discussed the benefits of CAFTA-DR, both in terms of trade, U.S. foreign assistance and investment.

Press reports focus on Gillibrand's proposal for remittances

19. (U) The Senator's visit was widely covered in major dailies in the Dominican Republic, especially her comments to the Presidential Palace press pool regarding remittances. Headlines reported the Senator had advocated relaxing cash transfers of less than 500 dollars to countries such as the Dominican Republic, where terrorism is not a serious threat.

COMMENT

110. (SBU) The Senator's remarks regarding remittances appeared to have grown out of a discussion that she held in the airport upon her arrival with the New York assembly members. The Embassy's Immigration and Customs Enforcement (ICE) Attach is preparing briefing material for the Senator

regarding concerns about money laundering in the Dominican Republic, particularly as relates to small cash transfers, that may help clarify the non-terrorism-related rationale for maintaining strict federal oversight of money transfers to the Dominican Republic. End Comment.

BULLEN